



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
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DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 968

DATE: November 23, 2010

TO: Iowa Medicaid Nursing Facilities

ISSUE BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Nursing Facility Enhanced Medicaid Payment Report

The purpose of this Informational Letter is to provide you with a copy of the Nursing Facility Enhanced Medicaid Payment Report, Form 470-4829 and instructions. This form was created in accordance with Senate File 476 to be used to account for the difference in the amount of quality assurance assessment add-on and pass-through received and the quality assurance assessment fee paid to the Department of Human Services (DHS).

Senate File 476, authorized during the 2009 legislative session, directed the DHS to implement a nursing facility quality assurance assessment program, also known as a nursing facility provider tax. In March 2010, DHS received approval from the Centers for Medicare and Medicaid Services (CMS) to implement the quality assurance assessment program effective April 1, 2010. Please see Informational Letter 898 and 959 for additional information describing the quality assurance assessment fee and other reporting requirements.

Legislation Requirements

The intent of Senate File 476 is "that priority in expenditure of rate adjustment increases provided to nursing facilities through the quality assurance assessment be related to the compensation and costs of employment for nursing facility staff." No less than thirty-five percent (35%) of the excess of the add-on and pass-through over the quality assurance assessment fee paid shall be used to increase compensation and costs of employment for certified nurse aides (CNAs) and no less than sixty percent (60%) shall be used to increase compensation and costs of employment for all nursing facility staff.

Increases in total costs of employment shall include but are not limited to costs of benefit programs with specific reporting for group health plans, group retirement plans, leave benefit plans, employee assistance programs, payroll taxes, workers' compensation, training, education, career development programs, tuition reimbursement, transportation, and child care, and as specified by rule of the department. Direct care workers and nursing facility staff do not include nursing facility administrators, administrative staff, or home office staff.

Form 470-4829 requirements

Each nursing facility shall submit information to the Department using Form 470-4829, Nursing Facility Medicaid Enhanced Payment Report, as a condition for receipt of the quality assurance assessment pass-through and quality assurance assessment rate add-on. If the amount of pass-through and add-on are in excess of the quality assurance assessment fee paid to DHS, the report shall demonstrate compliance by the nursing facility with the requirements for use of the quality assurance assessment pass-through and quality assurance assessment rate add-on.

For facilities with fiscal year ending after September 1, 2010, the report shall be due within three months of the fiscal year end. For example, facilities with a fiscal year end of September 30, 2010, the report will be due December 31, 2010.

For facilities with fiscal year ends between April 1, 2010 and August 31, 2010 the report should be submitted with your annual cost report. For those facilities, Form 470-4829 should include all data related to the period beginning April 1, 2010 through the next fiscal year end. For example a facility with a June 30 year end will submit this form by September 30, 2011 and include information for 15 months (April 1, 2010 through June 30, 2011)

The form can be found at <http://www.ime.state.ia.us/Providers/Forms.html>.

The IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions regarding the information included in this Informational Letter, please contact the IME Provider Cost Audit and Rate Setting Unit at (515) 256-4610 (locally) or (866) 863-8610 or via email at costaudit@dhs.state.ia.us.